



ANNUAL USE OF CAPITAL SURVEY - 2009

NAME OF INSTITUTION

(Include Holding Company Where Applicable)

U.S. Bancorp

Person to be contacted regarding this report:	Martin F. Cooney
CPP Funds Received:	\$6,599,000,000
CPP Funds Repaid to Date:	\$6,599,000,000
Date Funded (first funding):	11/14/2008
Date Repaid ¹ :	6/17/2009

RSSD: (For Bank Holding Companies)	1119794
Holding Company Docket Number: (For Thrift Holding Companies)	
FDIC Certificate Number: (For Depository Institutions)	
City:	Minneapolis
State:	Minnesota

¹If repayment was incremental, please enter the most recent repayment date.

American taxpayers are quite interested in knowing how banks have used the money that Treasury has invested under the Capital Purchase Program (CPP). To answer that question, Treasury is seeking responses that describe generally how the CPP investment has affected the operation of your business. We understand that once received, the cash associated with TARP funding is indistinguishable from other cash sources, unless the funds were segregated, and therefore it may not be feasible to identify precisely how the CPP investment was deployed or how many CPP dollars were allocated to each use. Nevertheless, we ask you to provide as much information as you can about how you have used the capital Treasury has provided, and how your uses of that capital have changed over time. Treasury will be pairing this survey with a summary of certain balance sheet and other financial data from your institution's regulatory filings, so to the extent you find it helpful to do so, please feel free to refer to your institution's quarterly call reports to illustrate your answers. This is your opportunity to speak to the taxpayers in your own words, which will be posted on our website.

What specific ways did your institution utilize CPP capital? Check all that apply and elaborate as appropriate, especially if the uses have shifted over time. Your responses should reflect actions taken over the past year (or for the portion of the year in which CPP funds were outstanding).

<input type="checkbox"/> Increase lending or reduce lending less than otherwise would have occurred.	NA
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<input type="checkbox"/>	To the extent the funds supported increased lending, please describe the major type of loans, if possible (residential mortgage loans, commercial mortgage loans, small business loans, etc.).	NA
<input type="checkbox"/>	Increase securities purchased (ABS, MBS, etc.).	NA
<input type="checkbox"/>	Make other investments	NA
<input type="checkbox"/>	Increase reserves for non-performing assets	NA

<input checked="" type="checkbox"/>	Reduce borrowings	<p>From November, 2009 until June, 2009, at which time the Company redeemed the preferred stock issued under the Capital Purchase Program, participation in the program permitted the Company to reduce its borrowings to fund normal business operations.</p>
<input type="checkbox"/>	Increase charge-offs	<p>NA</p>
<input type="checkbox"/>	Purchase another financial institution or purchase assets from another financial institution	<p>NA</p>
<input checked="" type="checkbox"/>	Held as non-leveraged increase to total capital	<p>The CPP capital increased U.S. Bancorp's total capital levels. However, even absent the CPP capital, the Company's capital ratios would have been well above the prescribed regulatory level for determining whether a financial institution is "well capitalized".</p>

What actions were you able to avoid because of the capital infusion of CPP funds?

The Capital Purchase Program permitted U.S. Bancorp to replace a portion of its normal short term borrowings with the proceeds of the CPP capital issuance.

On May 11, 2009, after receiving positive and "passing" results on the SCAP stress tests, the Company announced a \$2.5 billion common stock offering. During May, the Company also issued approximately \$2.1 billion of medium term debt. The proceeds of these issuances plus an increase in short term borrowings, funded the Company's redemption of the CPP preferred stock in June, 2009 and the repurchase of the related warrant in July, 2009.

What actions were you able to take that you may not have taken without the capital infusion of CPP funds?

U.S. Bancorp has consistently generated profits each quarter during the current financial downturn. The Company received positive and "passing" results on the SCAP stress tests conducted in early 2009. In addition, the Company's capital ratios, exclusive of the CPP capital issuance, were well above the prescribed regulatory level for determining whether a financial institution is "well capitalized". As a result of these and other factors that contribute to the Company's resilience through this economic cycle, the Company continues to provide credit to qualified borrowers, including new customers whose needs may not be met by their existing banking relationships.

Although participation in the Capital Purchase Program was not necessary from a capital adequacy perspective, the Company determined that doing so would be beneficial for U.S. Bancorp both from a financial and a competitive perspective, and with respect to meeting the United States government's objective of stabilizing the financial markets .

The CPP preferred stock, redeemed in June, 2009, provided direct benefits to U.S. Bancorp in that it enhanced the Company's capital ratios and reduced the Company's short term borrowing requirements. However, during the period in which the CPP preferred stock was outstanding, decisions by management with regard to loan originations, provision for credit losses and loan charge-offs, and the overall operation of the Company were unaffected by the issuance of the CPP preferred stock.

Please describe any other actions that you were able to undertake with the capital infusion of CPP funds.

NA